

17 MAG . 5573

ORIGINAL

Approved: \_\_\_\_\_

ALEXANDRA N. ROTHMAN

Assistant United States Attorney



Before: THE HONORABLE KATHARINE H. PARKER  
United States Magistrate Judge  
Southern District of New York

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:  
UNITED STATES OF AMERICA :  
:  
- v. - :  
:  
RACHEL BRANDT, :  
:  
Defendant. :  
:  
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SEALED COMPLAINT

**DOC # 1**

Violations of  
18 U.S.C. §§ 1341  
and 641

COUNTY OF OFFENSE:  
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

KYLE KNIESTE, being duly sworn, deposes and says that he is a Special Agent with the United States Postal Service Office of the Inspector General ("USPS-OIG"), and charges as follows:

COUNT ONE  
(Mail Fraud)

1. From at least in or about March 2012 up to and including on or about July 12, 2017, in the Southern District of New York and elsewhere, RACHEL BRANDT, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the United States Postal Service, and did deposit and cause to be deposited matters and things to be sent and delivered by private and commercial interstate carriers, and did take and receive therefrom, such matters and things, and did

cause to be delivered by mail and such carriers, according to the directions thereon, and at the places at which they were directed to be delivered by the person to whom they were addressed, such matters and things, to wit, BRANDT transmitted by United States mail fraudulent retail returns, sending empty packages to department stores and subsequently submitting fraudulent insurance claims to the United States Postal Service.

(Title 18, United States Code, Section 1341.)

COUNT TWO  
(Theft of Government Funds)

2. From at least in or about March 2012 up to and including on or about July 12, 2017, in the Southern District of New York and elsewhere, RACHEL BRANDT, the defendant, did knowingly embezzle, steal, purloin, and convert to her use and the use of another, vouchers, money, and things of value of the United States and a department and agency thereof, to wit, the United States Postal Service, which exceeded the sum of \$1,000, and did receive, conceal, and retain the same with intent to convert it to her use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, BRANDT fraudulently obtained approximately \$161,340 in United States Postal Service insurance claims to which she was not entitled.

(Title 18, United States Code, Section 641.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

3. I am a Special Agent with the USPS-OIG. I have been personally involved in the investigation of this matter, and I base this affidavit on that experience, on my conversations with other law enforcement officials and others, and on my examination of various reports and records. Because this affidavit is being submitted for the limited purpose of demonstrating probable cause, it does not include all the facts I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

### Overview

4. Based on my investigation of this matter, and as set forth more fully below, from at least in or about March 2012 up to and including on or about July 12, 2017, RACHEL BRANDT, the defendant, executed a fraudulent scheme whereby BRANDT would mail empty return packages to department stores and then submit fraudulent insurance claims with the United States Postal Service (the "Postal Service"), alleging that the packages had not been delivered as expected or were received damaged. As a result of BRANDT's fraudulent representations, the Postal Service paid BRANDT approximately \$161,340 in fraudulent insurance claims.

### The Investigation

5. Based on my involvement in this investigation, training, and experience, I know the following:

a. The Postal Service is a federal agency that offers postal delivery service both nationally and abroad. The Postal Service operates over 30,000 Post Offices as well as an online website (the "Website").

b. The Postal Service offers customers different methods of mailing letters and packages. The standard method of shipment is First Class Mail. Customers, however, can elect to ship letters and packages by Priority Mail or Express Mail, both of which guarantee a faster delivery.

c. To protect customers from loss or damage, the Postal Service includes insurance in the price of certain postage. Customers who send packages by Priority Mail ordinarily receive up to \$50 of insurance coverage. Customers who send packages by Express Mail are insured up to \$100.

d. Customers may also purchase supplemental insurance coverage. When a customer purchases supplemental insurance, the insured package is assigned a Postal Service tracking number (a "Tracking Number"), which is a unique number used to identify and track the package.

e. Customers may purchase insurance at full-service counters or self-service kiosks located at Post Offices. Customers may also purchase insurance on the Website. As of January 22, 2017, the Postal Service sets the following rates for insurance coverage for domestic Priority Mail:

Cost	Insurance Coverage
\$2.65	Up to \$100
\$3.35	Up to \$200
\$4.40	Up to \$300
\$5.55	Up to \$400
\$6.70	Up to \$500
\$9.15	Up to \$600
\$9.15 plus \$1.25 per \$100 of coverage	Up to \$5,000

f. If the contents of a package do not arrive at the intended address, or if they are damaged, a customer may file an insurance claim with the Postal Service within 60 days of the date of mailing. Insurance claims may be filed on the Website or in person at a Post Office. Claims must include the Tracking Number of the package, as well as a document showing proof of value, e.g., a receipt or proof of purchase for the insured item.

g. The claims form on the Website requires the claimant to certify the following: "I hereby certify that all provided information is accurate, truthful, and complete, and that I have uploaded proof of value. I understand that anyone who furnishes false or misleading information . . . may be subject to criminal and/or civil penalties, including fines and imprisonment."

h. The claims process is automated for claims up to \$300. In other words, the Postal Service pays almost all claims received as long as the customer submits documentation as proof of purchase. After the Postal Service accepts a claim, it mails the claimant a check covering the claimed value of the package contents, up to the insurance coverage.

#### BRANDT Mails Empty Packages to Store-1

6. Based on my involvement in this investigation, my conversations with a representative of a department store ("Store-1"), and my review of records maintained by Store-1, I have learned the following, in substance and in part:

a. On or about July 22, 2016, a representative of Store-1 notified the United States Postal Inspection Service ("USPIS") that Store-1 had received four empty packages

addressed to Store-1 from an unknown individual (the "First Packages"). None of the First Packages included a return address, but each had a Tracking Number issued by the Postal Service.

b. The USPIS referred the matter to the USPS-OIG, which instructed Store-1 to retain any future packages that were similar in nature to the First Packages, meaning, empty packages without a return address.

c. In or around August 2016, Store-1 forwarded seven additional packages to the USPS-OIG (the "Second Packages"). The Second Packages, like the First Packages, were empty. None of the Second Packages included a return address, but each had a Tracking Number issued by the Postal Service.

7. Based on my conversations with other law enforcement officials and my review of records maintained by the Postal Service, I have learned the following, in substance and in part:

a. The Tracking Numbers associated with the First and Second Packages were registered to RACHEL BRANDT, the defendant.

b. In or around July 2016, BRANDT sent eight more packages to Store-1 (the "Third Packages"), for which she later filed insurance claims. See *infra* ¶ 8.

BRANDT Purchases Postal Insurance for the Packages and Files  
Fraudulent Insurance Claims

8. Based on my review of records maintained by the Postal Service, I have learned the following, in substance and in part:

a. In or around July 2016, RACHEL BRANDT, the defendant, mailed the First, Second, and Third Packages from a Post Office located in or around Manhattan, New York, to Store-1 in Texas. BRANDT purchased \$3.35 in insurance coverage for each package, thereby insuring each package up to \$200.

b. Shortly thereafter, BRANDT submitted through the Website insurance claims for the First, Second, and Third Packages, claiming "missing contents" as the reason for the claims. For each claim, BRANDT provided a particular mailing address in Manhattan, New York ("Address-1") but listed a



different variation of the name "Rachel Brandt" and/or included a different email address as BRANDT's identifying information.<sup>1</sup>

i. For example, in one claim for \$200, filed on or about July 25, 2016, BRANDT listed her name as "Rachel Brandt" and provided the email address "rb.2323.23.23@gmail.com" ("Claim-1").

ii. In a second claim for \$200, also filed on or about July 25, 2016, BRANDT listed her name as "Rachel brandt" and provided the email address "rb.23.23.23@gmail.com" ("Claim-2").

iii. In a third claim for \$200, filed on or about July 26, 2016, BRANDT listed her name as "Rachel brandt" and provided the email address "rachelbrandts@gmail.com" ("Claim-3").

iv. In a fourth claim for \$200, also filed on or about July 26, 2016, BRANDT listed her name as "Rachel Brandt" and provided the email address "rb2323.2323@gmail.com" ("Claim-4").

v. In a fifth claim for \$200, also filed on or about July 26, 2016, BRANDT listed her name as "rach brandt" and provided the email address "rb232.3.23.23@gmail.com" ("Claim-5").

c. For each claim, BRANDT attached a portion of a statement from a particular credit card (the "Statement"), reflecting purchases at Store-1 for the items allegedly contained within the packages. For Claims-1 through -4, which totaled \$800, BRANDT attached the same portion of the Statement, reflecting one \$299.41 purchase at Store-1 on June 23, 2016.

d. For each claim, BRANDT also certified the following: "I hereby certify that all provided information is accurate, truthful, and complete, and that I have uploaded proof of value. I understand that anyone who furnishes false or misleading information . . . may be subject to criminal and/or civil penalties, including fines and imprisonment."

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<sup>1</sup> Based on my training and experience, individuals who commit fraud often use aliases or name variations to do so, in an effort to reduce the chances of law enforcement detection.

e. With one exception,<sup>2</sup> the Postal Service paid BRANDT \$200 for each claim submitted.

BRANDT Deposits the Proceeds of Her Fraudulent Scheme

9. Based on my review of records maintained by Capital One Bank ("Capital One"), I have learned the following, in substance and in part:

a. RACHEL BRANDT, the defendant, is the account holder on a checking account operated by Capital One (the "Account").

b. In or around August 2016, BRANDT endorsed and deposited into the Account eighteen checks that were issued by the Postal Service to BRANDT<sup>3</sup> (the "Checks"). The Checks were issued in response to the insurance claims that BRANDT had filed with the Postal Service in connection with the packages BRANDT sent to Store-1. See *supra* ¶¶ 6-8.

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10. Based on my review of records maintained by the Postal Service, I have learned the following, in substance and in part:

a. From at least in or about March 2012 up to and including on or about July 12, 2017, RACHEL BRANDT, the defendant, submitted through the Website approximately 880 insurance claims with the Postal Service.

b. Each claim related to an alleged return of items purchased from various department stores, including Store-1.

c. During the same period of time, BRANDT received from the Postal Service insurance payments totaling approximately \$161,340 for the claims BRANDT had submitted.

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<sup>2</sup> Based on my review of Postal Service records, it appears that the Postal Service denied one of BRANDT's claims.

<sup>3</sup> Because BRANDT varied the spelling of her name in the insurance claims she submitted, see *supra* ¶ 8(b), the Checks were also issued in slightly different variations of the name "Rachel Brandt."

11. In connection with this investigation, I have reviewed surveillance images and videos maintained by the Postal Service at or around the time that the packages at issue in this investigation were stamped or mailed. Based on my review of the images and videos, I have learned the following, in substance and in part:

a. Between in or about December 2016 and in or about February 2017, a woman, whom I have identified as RACHEL BRANDT, the defendant,<sup>4</sup> is depicted in surveillance images using the self-service kiosks located at Post Offices in or around New York, to purchase postage and postal insurance for packages that BRANDT later mailed to various department stores.

b. Between in or about March 2017 and in or about April 2017, a woman, whom I have identified as BRANDT,<sup>5</sup> is depicted in surveillance videos depositing multiple envelopes into Postal Service collection boxes.

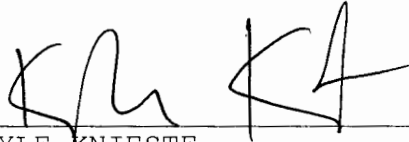
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<sup>4</sup> Based on my comparison of the surveillance images and publicly available images of BRANDT, I believe that BRANDT is the woman depicted in the aforementioned images.

<sup>5</sup> Based on my comparison of the surveillance videos and publicly available images of BRANDT, I believe that BRANDT is the woman depicted in the aforementioned videos.



WHEREFORE, I respectfully request that a warrant be issued for the arrest of RACHEL BRANDT, the defendant, and that she be arrested and imprisoned or bailed, as the case may be.

A handwritten signature in black ink, appearing to read 'Knieste', written over a horizontal line.

KYLE KNIESTE  
Special Agent  
United States Postal Service  
Office of the Inspector General

Sworn to before me this  
25th day of July, 2017

A handwritten signature in black ink, appearing to read 'Katharine H. Parker', written over a horizontal line.

THE HONORABLE KATHARINE H. PARKER  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK